

ORDINANCE NO. A-355

AN ORDINANCE CALLING A SPECIAL ELECTION TO VOTE UPON THE QUESTION OF ISSUING BONDS UNDER THE PROVISIONS OF ACT NO. 9 OF THE FIRST EXTRA-ORDINARY SESSION OF THE SIXTY-SECOND GENERAL ASSEMBLY OF THE STATE OF ARKANSAS, APPROVED JANUARY 21, 1960, FOR THE PURPOSE OF FINANCING THE COST OF SECURING AND DEVELOPING INDUSTRY NEAR THE CITY OF CONWAY, ARKANSAS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

^{5,5} WHEREAS Universal Match Corporation, a Delaware corporation, has determined to operate (through a subsidiary, Customade Products Corporation, an Arkansas corporation) a substantial manufacturing plant near the City of Conway, Arkansas; and

WHEREAS the necessary lands have been acquired and the construction of the plant undertaken by Conway Development Corporation, a corporation organized under and existing by virtue of the laws of the State of Arkansas; and

WHEREAS it has now been determined that the cost of acquiring a site for and constructing the manufacturing plant and of purchasing and installing the necessary equipment and machinery is considerably in excess of the original estimates so that additional financing is immediately necessary; and

WHEREAS the expeditious completion of the construction and acquisition and installation of the necessary equipment and machinery will be in the best interests of the City of Conway, Arkansas and its inhabitants by virtue of the alleviation of unemployment, increased payrolls and increased employment opportunity for the citizens of the City; and

WHEREAS it has been determined that the most feasible plan to complete the required financing of said construction and

the acquisition and installation of the said equipment and machinery is for the City of Conway, Arkansas, subject to the approval of the electors, to issue Revenue Bonds under Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas, approved January 21, 1960, for the purpose of acquiring the lands and the improvements constructed thereon from Conway Development Corporation and thereafter completing the permanent improvements and purchasing and installing the necessary equipment and machinery and financing other necessary expenses incidental to the commencement of manufacturing operations by Universal Match Corporation, or the above named subsidiary; and

WHEREAS the City has agreed, subject to the approval of the electors, to issue the bonds, purchase the lands and improvements, complete the improvements, purchase and install the necessary equipment and machinery, and pay the other necessary expenses; Conway Development Corporation has agreed to sell the said lands and permanent improvements already constructed and presently owned by it to the City; and the City has agreed to lease to and Universal Match Corporation has agreed to lease from the City the lands, permanent improvements, equipment and machinery for a rental sufficient to meet the annual principal, interest and paying agent fee requirements on the bonds proposed to be issued by the City under said Act No. 9; and

WHEREAS it is highly desirable to proceed immediately with the proposed undertakings of the parties as above set forth and the first step therein is the calling of a special election to vote on the question of issuing the proposed bonds under said Act No. 9;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Conway, Arkansas:

Section 1. That a special election be, and the same is hereby, called to be held in Conway, Arkansas on the 14 day of June, 1960, at which election there shall be submitted to the electors of the City the question of issuing Industrial Development Revenue Bonds under the provisions of Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas, approved January 21, 1960, in an amount not to exceed \$2,200,000, for the purpose of securing and developing industry near the City of Conway, Arkansas, and in particular for the purpose of financing the cost of the project heretofore described in the preambles hereto. The bonds shall be dated June 1, 1960 with interest payable semi-annually on June 1 and December 1 of each year commencing December 1, 1960, at a rate to be hereafter determined, but not to exceed 6% per annum, with the bonds to mature on June 1 of each year as follows, but to be callable for payment prior to maturity upon such terms as shall be specified in the ordinance authorizing the issuance of the bonds and in the face of the bonds:

<u>YEAR</u>	<u>AMOUNT</u>
1961	\$ 62,000
1962	65,000
1963	69,000
1964	73,000
1965	77,000
1966	82,000
1967	86,000
1968	91,000
1969	96,000
1970	102,000
1971	108,000
1972	114,000
1973	120,000
1974	127,000
1975	134,000
1976	142,000
1977	150,000
1978	158,000
1979	167,000
1980	177,000

The total estimated cost of the project is \$2,200,000 of which total it is estimated that approximately \$1,250,000 will be necessary to finance the cost of acquiring the land and manufacturing plant and facilities thereon and of completing the construction of the manufacturing plant and facilities and to pay necessary expenses incidental thereto and to issuing the bonds, and that approximately \$950,000 will be necessary to finance the cost of purchasing and installing machinery and equipment, and to pay necessary expenses incidental thereto and to issuing the bonds. Therefore, the proceeds of the bonds representing the first \$954,000 of maturities, being the bonds maturing in the years 1961 to 1971, inclusive, and \$39,000 of the bonds maturing in the year 1972 will be used to purchase and install the equipment and machinery and to pay necessary expenses incidental thereto and to issuing the bonds, and that the proceeds of the remainder of the bonds being \$75,000 of the bonds maturing in the year 1972 and the bonds maturing in the years 1973 to 1980, inclusive, will be used to acquire the land and the manufacturing plant and facilities thereon and to complete the construction of the manufacturing plant and facilities, and to pay necessary expenses incidental thereto and to issuing the bonds.

Section 2. That said question shall be placed on the ballot for the special election in substantially the following form:

Vote on measure by placing an "X" in the square above the measure either for or against:

For the issuance of Industrial Development Revenue Bonds in an amount not to exceed \$2,200,000..

Against the issuance of Industrial Development Revenue Bonds in an amount not to exceed \$2,200,000

It is proposed to issue City of Conway, Arkansas Industrial Development Revenue Bonds under Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas, approved January 21, 1960, in an amount not to exceed 32,200,000 for the purpose of financing the cost of securing and developing industry near the City of Conway, Arkansas. The particular project is the acquisition of lands and a manufacturing plant and facilities thereon, completing the construction of the manufacturing plant and facilities, the purchase and installation of necessary machinery and equipment and the payment of other necessary expenses incidental to the commencement of manufacturing operations by an industry (herein called the "Project"), which Project will be leased by the City to Universal Match Corporation, a Delaware corporation, and operated by it or a wholly owned subsidiary. The proposed bonds will mature serially on June 1 in each of the years 1961 to 1980, inclusive. The bonds will not be general obligations of the City but will be special obligations payable solely from lease rentals (which shall be sufficient to pay the principal of, interest on and paying agent's fees in connection with the said bonds) and secured by a first mortgage lien on the Project.

Section 3. That the election shall be held and conducted and the vote canvassed and the results declared under the law and in the manner now or hereafter provided for municipal elections, so far as the same may be applicable, and the Mayor shall give notice of such election by an advertisement published once a week for four (4) consecutive weeks in a newspaper having a bona fide circulation in Conway, Arkansas, with the last publication to be

not less than ten (10) days prior to the date of the election, and only qualified electors of Conway, Arkansas shall have the right to vote at said election on said question.

Section 4. That the results of said election shall be proclaimed by the Mayor and his proclamation shall be published one time in a newspaper having a bona fide circulation in Conway, Arkansas, which proclamation shall advise that the results as proclaimed shall be conclusive unless attacked in the courts within thirty (30) days after the date of such proclamation.

Section 5. That a copy of this ordinance shall be given to the Faulkner County Board of Election Commissioners so that the necessary election officials and supplies may be provided.

Section 6. That there is hereby found and declared to be an immediate need for the securing and developing of industry near the City of Conway, Arkansas in order to provide employment, alleviate unemployment and to supply increased payrolls and other benefits incidental to the establishment of a substantial industry, and that the issuance of the Revenue Bonds referred to herein is necessary for said purposes. It is, therefore, declared that an emergency exists and this ordinance being necessary for the immediate preservation of the public health, safety and welfare shall be in force and take effect immediately upon and after its passage.

PASSED: May 9, 1960.

APPROVED:

ATTEST:

Walter D. Dumas
(SEAL) City Clerk

Ed. B. Baker
Mayor